

**STATE OF ILLINOIS  
ILLINOIS COMMERCE COMMISSION**

Illinois Commerce Commission,	)	
On Its Own Motion	)	
	)	Docket No. 07-0483
Development of net metering standards	)	
required by P.A. 95-0420.	)	

**Reply Comments  
Of The People Of The State Of Illinois**

The People of the State of Illinois (the “People”), by and through Lisa Madigan, Attorney General of the State of Illinois, hereby file these reply comments pursuant to the schedule established by the Administrative Law Judge (“ALJ”) in this docket. These reply comments focus on three of the “open or unresolved issues” that have been identified by the Staff of the Illinois Commerce Commission (“ICC” or “Commission”) relating to the draft target rule.

**The People oppose attempts to limit the number of extensions available to net metering customers that have executed interconnection agreements.**

The People oppose MidAmerican Energy Company’s (“MidAmerican”) suggested revision to the net metering application and enrollment language in Section 465.40(i) of the draft target rule. MidAmerican suggests revoking authorization to net meter after only one additional six month extension in cases where a customer has executed an interconnection agreement but has not yet connected to the grid. The limitation that MidAmerican proposes would unnecessarily penalize net metering customers that have diligently executed interconnection agreements but are unable to interconnect because, through no fault of their own, delivery of necessary equipment has been delayed. As MidAmerican observes, “[m]ost customers can be expected to execute the

interconnection agreement and follow through quickly with the interconnection.”

MidAmerican Comments, at 3. However, given the uncertainties and long lead-times associated with ordering and installing equipment, there will inevitably be some net metering customers that are unable to “quickly” interconnect after executing an interconnection agreement.

For the small group of customers who cannot “quickly” interconnect, the consequences of losing net metering authorization could be disastrous. If such a customer is willing to pay for another extension, as required in the draft target rule, it should be clear that the customer intends to connect to the grid -- and there is no reason not to grant that customer’s request to extend net metering authorization for an additional six months. Consequently, the language in Section 465.40(i) of the draft target rule should remain as follows:

i) Any electricity provider establishing enrollment limits, as provided for in subsection (b), may cancel a customer’s authorization to net meter if, 12 months after receiving authorization to net meter, the customer has not executed an interconnection agreement under applicable Commission rules with the customer’s electric utility. The electricity provider must automatically extend the authorization to net meter by an additional six months for eligible customers that have executed interconnection agreements. Thereafter, a customer seeking to extend the authorization to net meter for six months must pay a deposit of \$25 for each kilowatt of the nameplate rating of the generating facility, which shall be refunded only if the facility commences operation and passes any applicable witness test.

**The People support efforts to make clear that non-residential customers with 40 – 2000 kW generators are to be compensated for “excess” kilowatt-hours at the electricity provider’s avoided cost.**

The People support the Environmental Law & Policy Center’s (“ELPC”) efforts to modify Section 465.50(b)(1)(i) of the draft target rule to make clear that non-residential

customers with 40 - 2000 kW generators are to compensated for “excess” kilowatt-hours at the electricity provider’s avoided cost. ELPC seeks to clarify Section 465.50(b)(1)(i) by amending the last sentence in that section as follows:

If the customer is a net seller of electricity, the electricity provider shall compensate the customer *for any excess kilowatt-hour credits* at the electricity provider’s avoided cost of electricity supply.

The People’s Initial Comments also include a proposed revision to subsection 465.50(b)(1)(i) to clarify this same point:

The utility shall determine whether the customer is a net purchaser or a net seller of electricity during the billing period. If the customer is a net purchaser of electricity during the billing period, the electricity provider shall apply the applicable tariffed rate to the net amount purchased. If the customer is a net seller of electricity, the electricity provider shall compensate the customer at the electricity provider’s avoided cost of electricity supply, *multiplied by the net amount of electricity sold to the electricity provider.*

The People proposed this additional language to make subsection 465.50(b)(1)(i) parallel with other subsections relating to billing by specifying that net sellers will be compensated at a specified price multiplied by the net amount of electricity sold to the electricity provider. At present, this subsection specifies only the price to be paid by the electricity provider. The additional language makes clear that the net seller will be compensated at that that price (the electricity provider’s avoided cost) for the net amount of electricity sold to the electricity provider.

The language proposed by ELPC and the language proposed by the People are equally effective. The People do not have a preference as to which revision is included in the billing section of the net metering rule. What is important is that subsection 465.50(b)(1)(i) is revised to clarify that non-residential customers with 40 - 2000 kW

generators are to compensated at the electricity provider's avoided cost for "excess kilowatt-hour credits" or "the net amount of electricity sold to the electricity provider."

**The People support the addition of  
a meter aggregation reporting requirement.**

The People support ELPC's proposed addition of a reporting requirement to implement the provision in Section 16-107.5(1) of the Public Utilities Act mandating that electricity providers "consider " whether to allow meter aggregation for the purposes of net metering. 220 ILCS 5/16-107.5(1). Meter aggregation will help to promote renewable energy resource investments by communities and on properties owned or leased by multiple parties such as apartment buildings. Section 465.60 of the draft target rule should be modified to require electricity providers to demonstrate, by a date certain, that they have given due consideration to the feasibility of meter aggregation and the benefits that meter aggregation would provide for net metering customers that have multiple meters and the overall impact on renewable resource development. To that end the People propose the following addition (shown in italics) to Section 465.60 of the draft target rule:

**Section 465.60      Reporting Requirements**

- a) The report required by Section 16-107.5 (k) of the Act shall be filed with the Manager of the Energy Division of the Illinois Commerce Commission by April 1st of each year. The report shall include all information required under Section 16-107.5 (k) of the Act, including, but not limited to, the following information: the total peak demand supplied by the electricity provider during the previous year; the total generating capacity of its net metering customers; whether the electricity provider intends to limit total generating capacity of its net metering customers to 1%; and, the electricity provider's total number of net metering customers.
- b) *The analysis of meter aggregation for net metering customers that is required by Section 16-107.5(1) of the Act shall be filed by each electricity provider with the Manager of the Energy Division of the Illinois Commerce Commission on or before March 31, 2009.*

WHEREFORE, for the above-stated reasons, the People respectfully request that the Administrative Law Judge recommend Commission approval of the proposed net metering rule, modified as described herein.

Respectfully submitted,

The People of the State of Illinois  
by LISA MADIGAN, Attorney General

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**ILLINOIS COMMERCE COMMISSION**

**NOTICE OF FILING**

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